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**FRUEHAUF**

ANNUAL REPORT 1975



## ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of the Fruehauf Trailer Company of Canada Limited will be held on Friday, April 23, 1976, at 2:30 p.m. (Toronto time) in the Board Room of National Trust Company Limited, 3rd floor, 21 King Street East, Toronto, Ontario.

Proxies will be solicited from Shareholders when the Notice of Annual Meeting and Proxy Statements are mailed on or about March 31, 1976.

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Head Office:  
Fruehauf Trailer Company of  
Canada Limited  
2450 Stanfield Road  
Mississauga, Ontario L4Y 1S3



## FINANCIAL AND STATISTICAL HIGHLIGHTS

	<u>1975</u>	<u>1974</u>
Net Sales .....	<b>\$47,161,334</b>	\$60,073,980
Earnings before Taxes on Income .....	<b>6,866,271</b>	9,539,837
Earnings: Per cent to Sales .....	<b>14.6</b>	15.9
Net Earnings .....	<b>3,674,271</b>	5,388,837
Net Earnings: Per cent to Sales .....	<b>7.8</b>	9.0
Net Earnings per Share .....	<b>1.36</b>	1.99
Dividends per Share .....	<b>.40</b>	.40
Net Assets (Book Value) per Share .....	<b>12.67</b>	11.35
Total Assets .....	<b>43,168,288</b>	49,429,223
Working Capital .....	<b>28,294,922</b>	25,054,640
Number of Shareholders .....	<b>406</b>	417
Number of Employees .....	<b>635</b>	966

*Stainless Steel Insulated Hot Material Tank*





# REPORT ON OPERATIONS — 1975

## To Our Shareholders:

Total sales for the year were \$47,161,334, off 21% from the record 1974 year. Net earnings for the current twelve months were \$3,674,271, down 32% from the \$5,388,837 earned in the previous year. Current earnings are \$1.36 per share in comparison to the all time high \$1.99 per share of 1974. The current year was one of relatively low productivity in the trailer industry during which we concentrated on inventory reduction. By close control of operations we have fared somewhat better than the overall industry.

## Dividends to Shareholders

During the year two interim dividends of 20 cents per share were paid to all common shareholders, other than the major shareholder, Fruehauf Corporation (U.S.). The first on March 31, 1975, was based on results of the second half of 1974, the second on September 4, 1975, based on first half results of the current year. On February 20, 1976, following results of the latter half of 1975, a dividend of 20 cents per share has been declared. This dividend is payable March 26, 1976, to holders of record March 5, 1976. The dividend rate has been maintained at this time although earnings for the year are down and the industry in total has experienced a downturn in volume. This dividend is payable to all shareholders.

## Operation Highlights

During the whole of 1975 our production level was below that of a single shift capacity. This of course brought with it the attendant unfavourable manufacturing costs resulting from such reduced volume. In contradiction to the previous year, materials were readily available and component price escalation returned to a more normal level. The restricted productivity experienced in 1975 imposed more of a hardship than the cost spiral of component parts in the previous year. However, in the long run a definite arresting of inflationary trends will have an enduring benefit for the total economy.

Expense control programs including personnel cutbacks were implemented early in the year. With the support of a continuing aggressive financing program, pre-tax earnings were 14.6% of sales. In the previous year with the benefit of a 21% higher volume this ratio was 15.9% to sales.

## Financing Products Sold

During the year we continued our concentrated effort to improve participation in financing of products and equipment sold. While sales volume fell drastically we achieved a full retention of portfolio level, in fact a ½% installment contracts increase. As a result, finance revenue increased 13.2% to \$2,320,268. Our investment in installment contracts at year end was up \$110,000. A total portfolio of \$17,656,167 compares to \$17,545,115 at the previous year end. However, the trend away from trailer leasing continued and only \$226,910 of equipment was leased. As a result of maturities on existing leases, equipment leased to customers declined \$1,178,000 from \$3,417,789 to \$2,239,625.

Our effort to expand investment in both of our product financing programs has been rewarding. Our finance penetration is consistently increasing. Revenues from this field of operations provide a stabilizing effect on profits in such periods of fluctuating volume.

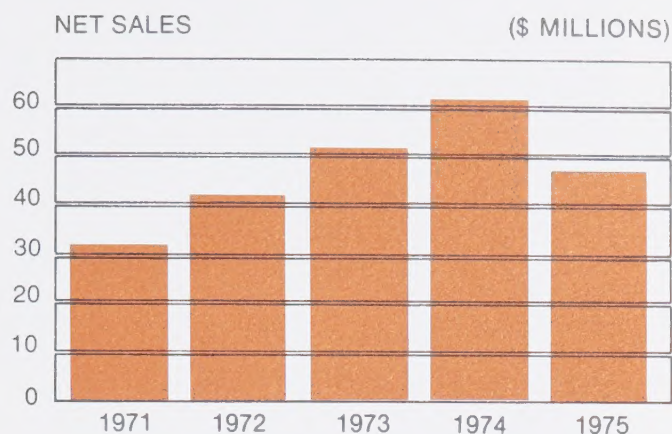
## Capital Expenditures

Expenditures for capital equipment during 1975 were held to \$310,015. As the year commenced the cost of money was exceptionally high. Therefore we restricted expenditures and concentrated on cash flow maximization. Only expenditures necessary to maintain adequate production and service equipment were authorized, each on a cost justified investment basis.

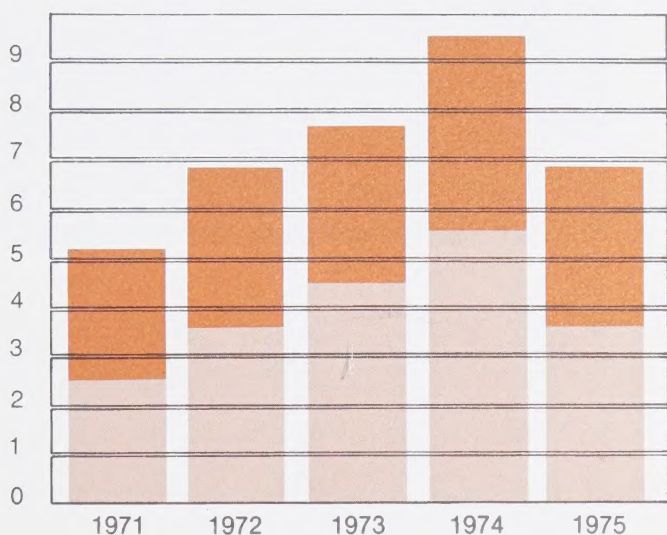
Depreciation of plant and equipment in the current year was \$434,194 as compared to \$481,757 in the prior year. For financial statement purposes we follow a practise of depreciating plant and equipment on a straight-line basis over the estimated useful life of the various equipment categories. Generally we employ a ten year maximum life on machinery and equipment, seven years maximum on automotive equipment and forty years on buildings and structures.

Depreciation of equipment leased to customers was \$999,485, down from \$1,164,293 a year earlier. The reduced depreciation reflects the decreasing portfolio and the decided trend away from leasing, in favour of direct financing leading to ultimate customer ownership. Equipment leased to customers is amortized over the term of the lease to a projected terminal value. On lease termination, equipment is sold through our used equipment marketing operation at a normal mark-up.

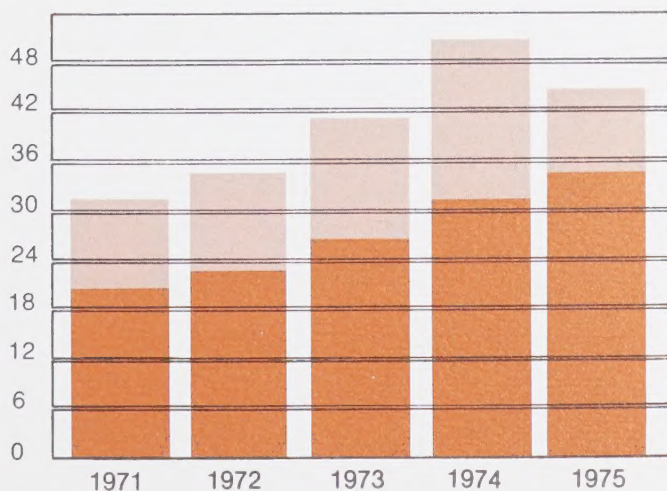




■ NET EARNINGS  
 ■ EARNINGS BEFORE TAXES ON INCOME (\$ MILLIONS)



■ TOTAL ASSETS  
 ■ SHAREHOLDERS' EQUITY (\$ MILLIONS)



For tax purposes we follow a practice of claiming the maximum capital cost allowance ("CCA" — depreciation for tax purposes) available. This treatment gives rise to the deferred taxes on income which is designed to protect earnings of future periods from the impact of taxes when CCA available as a deduction may be less than book depreciation. This situation occurred in the current year and the reduction in the reserve "deferred taxes on income" of \$153,600 was used for this purpose. By this means no abnormal tax was required for financial reporting purposes on the current year's income.

### Financial Position

A positive cash flow of approximately \$7 million was realized in the year, primarily from the significant reductions in both receivables and inventories. As a result we were able to retire interest bearing indebtedness, thereby benefitting operating profits. Accounts receivable were reduced \$3,097,422 and inventories by \$3,168,707. Borrowings were virtually eliminated through reduction of \$5,780,000 bank and short term notes and \$700,000 of long term notes payable to Fruehauf Corporation (U.S.). The retirement of the latter indebtedness brings to a close a \$5.3 million loan originated in 1961 and which was the vehicle which commenced the turn around from that period's unsatisfactory position.

As of the close of the year our current ratio, current assets over current liabilities, represents 4.53 to 1. This strong financial position is up from a ratio one year earlier of 2.55 to 1. Included in current liabilities is the amount of \$800,000 being the final retirement of the twenty year debenture series due November 1, 1976. This long term borrowing was the means by which the main manufacturing facility at Dixie was constructed and equipped.

### Accounting Principles

In this report to shareholders we have attempted to highlight the significant items of both the year's operation as well as the financial position contained in the balance sheet. In addition, in this current annual report we have continued the section "Summary of Accounting Principles". The more important accounting principles followed by the Company are described in this summary.



## Products and facilities

Fruehauf-Canada manufactures, sells and services a complete line of commercial trailers and truck bodies. In addition we have the capability to produce specialized custom units, both commercial and government, as well as container units. Through our wholly owned branches plus our separate distributor and dealer organizations we service what we sell — from the Atlantic to the Pacific and north to the Yukon.

We produce numerous models of van type trailers, as well as platform units and the many categories of tank trailers at our Dixie manufacturing plant. For the heavy equipment market in Western Canada we produce carryalls and oilfield equipment at our Calgary location, plus many specialized models common to that area. For the Eastern Canada construction market we produce carryalls at our Montreal location. For reader interest we have listed the main types of our products on page 15 of this report.

As we indicated in last year's report we have been studying the feasibility of an additional production facility. The proposal is still being actively studied, although we have reassigned the investment priority in view of current volume indications.

During the year we opened two parts store locations, one in Regina, Saskatchewan, and the other in Kitchener, Ontario. These stores, presently in leased premises, will enable us to gain direct experience in each of the areas and permit us to assess the feasibility of opening a full service branch facility at a future date. We are pleased with the progress of parts merchandising at each of these new locations.

Fruehauf-Canada is a public company with shares listed on the Toronto Stock Exchange. Our Company is also part of a world-wide organization devoted to transportation products and services. Through a royalty agreement with Fruehauf Corporation (U.S.) we receive the benefit of all of the extensive research and development of the parent organization.

## Outlook

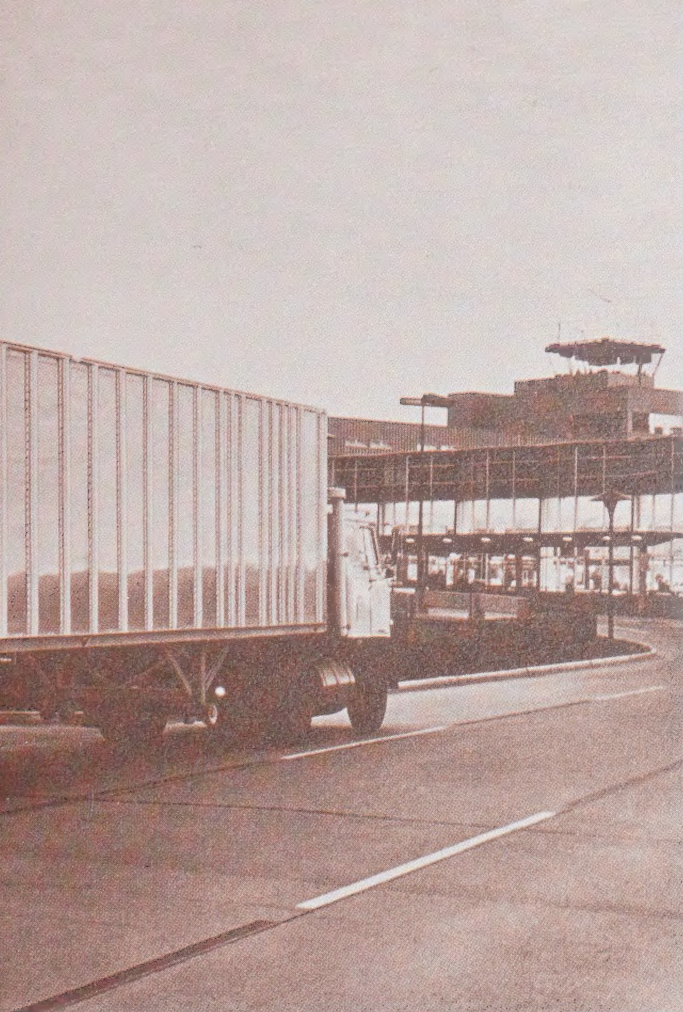
The year 1975 produced a wide range of operating levels in different industries. Many firms operated at extremely low levels of productivity while other unrelated segments of the economy operated at capacity levels. The trailer industry as a whole was at a considerably reduced level, the result of some customer over-buying in the preceding two high volume years. Volume outlook for the coming year would indicate a period somewhat similar to the 1975 year.



Model "F" Exposed Post Van Trailer





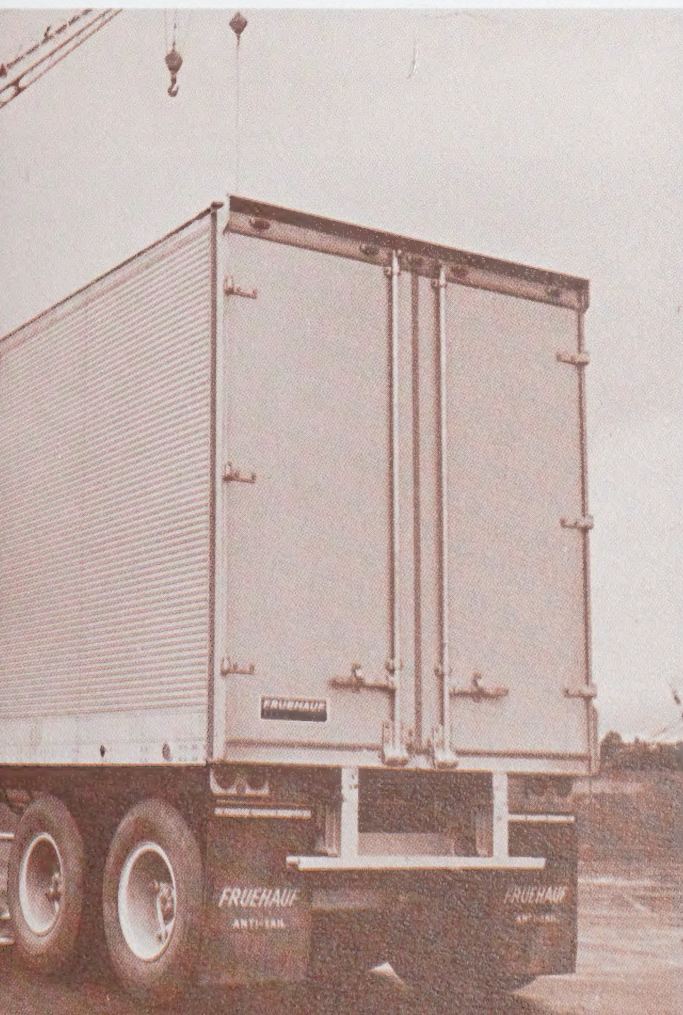


As indicated in the notes to the financial statements, our Company is subject to the Canadian Government's Anti-Inflation Legislation which took effect from October 14, 1975. We are already operating in conformance with the guidelines established. While this legislation imposes various controls over prices, compensation and dividends, we believe our established cost control techniques and the strength of our operating management can ensure a satisfactory operating result. We therefore feel confident that in 1976 we will attain a sound investment return for the Company.

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Your directors express their appreciation to our employees and to our customers and shareholders for the confidence they have shown in our activities and products.

Model "F" Beaded Panel Van Trailer

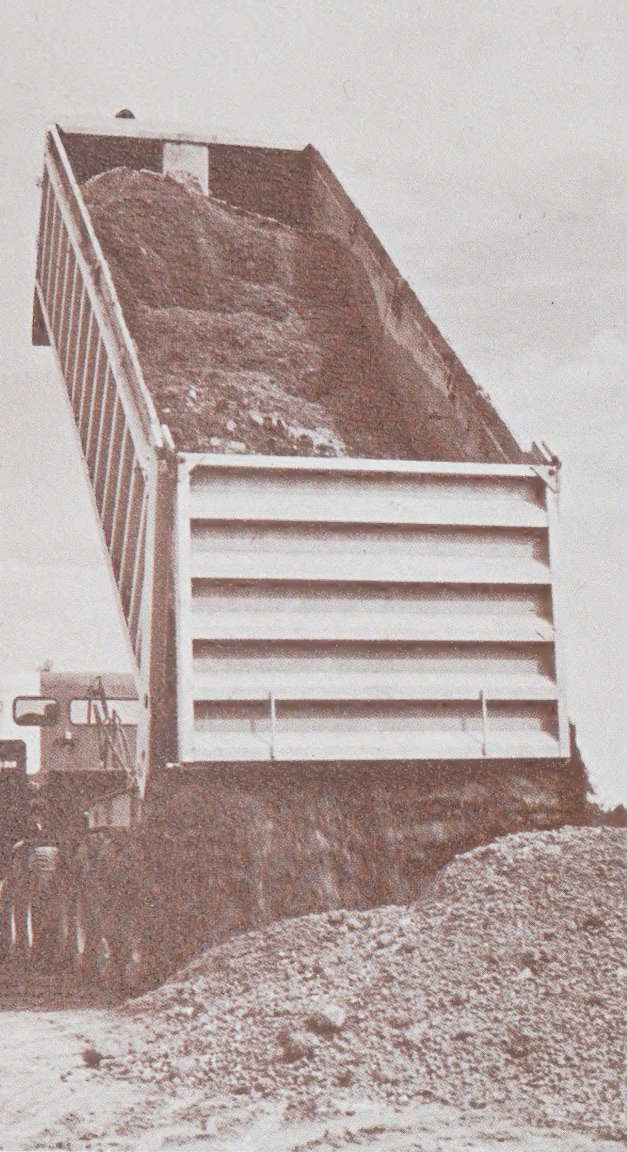


On Behalf of the Board

W.E. Grace, President

D.A. Grinstead, Vice President





All Aluminum Dump Trailer

## TOUCHE ROSS & CO.

P.O. BOX 12  
FIRST CANADIAN PLACE  
TORONTO, ONTARIO M5X 1B3  
(416) 366-6521

### AUDITORS' REPORT

The Shareholders,  
Fruehauf Trailer Company of  
Canada Limited.

We have examined the balance sheet of Fruehauf Trailer Company of Canada Limited as at December 31, 1975 and the statements of net earnings, earnings retained for use in the business and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at December 31, 1975 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Touche Ross & Co.*

Toronto, Ontario,  
February 5, 1976.

Chartered Accountants.

Model "F" Beaded Panel "Doubles Uni





# STATEMENT OF NET EARNINGS

YEARS ENDED DECEMBER 31, 1975  
AND DECEMBER 31, 1974

	<u>1975</u>	<u>1974</u>
<b>REVENUES</b>		
Net sales .....	<b>\$47,161,334</b>	\$60,073,980
Finance revenue .....	<u><b>2,320,268</b></u>	<u>2,049,814</u>
	<u><b>49,481,602</b></u>	<u>62,123,794</u>
<b>COST AND EXPENSES</b>		
Cost of products and service sold, other than items below ..	<b>36,833,238</b>	46,237,615
Selling and administrative expenses .....	<b>3,186,703</b>	3,327,728
Depreciation .....	<b>1,433,679</b>	1,646,050
Taxes other than taxes on income .....	<b>666,802</b>	671,452
Interest (including \$74,423 in 1975 and \$96,154 in 1974 on long-term debt) .....	<u><b>494,909</b></u>	<u>701,112</u>
	<u><b>42,615,331</b></u>	<u>52,583,957</u>
<b>EARNINGS BEFORE TAXES ON INCOME .....</b>	<u><b>6,866,271</b></u>	<u>9,539,837</u>
Taxes on income		
Current .....	<b>3,357,200</b>	3,747,700
Deferred (credit*) .....	<u><b>165,200*</b></u>	<u>403,300</u>
	<u><b>3,192,000</b></u>	<u>4,151,000</u>
<b>NET EARNINGS .....</b>	<u><b>\$ 3,674,271</b></u>	<u><b>\$ 5,388,837</b></u>
<b>Net earnings per share .....</b>	<u><b>\$1.36</b></u>	<u><b>\$1.99</b></u>



## BALANCE SHEETS

### FRUEHAUF TRAILER COMPANY OF CANADA LIMITED

(Incorporated under the Canada Corporations Act)

#### ASSETS

	<u>December 31 1975</u>	<u>December 31 1974</u>
<b>CURRENT ASSETS</b>		
Cash and short-term notes .....	<b>\$ 1,494,753</b>	\$ 284,498
Trade receivables		
Installment contracts (Note 1) .....	<b>17,656,167</b>	17,545,115
Accounts receivable .....	<b><u>5,765,765</u></b>	<u>8,863,187</u>
	<b>23,421,932</b>	26,408,302
Inventories (Note 2) .....	<b>11,290,656</b>	14,459,363
Prepaid expenses .....	<b><u>91,961</u></b>	<u>92,553</u>
<b>TOTAL CURRENT ASSETS</b> .....	<b><u>36,299,302</u></b>	<u>41,244,716</u>
<b>EQUIPMENT LEASED TO CUSTOMERS</b> (Note 3) .....	<b><u>2,239,625</u></b>	<u>3,417,789</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land .....	<b>469,822</b>	478,671
Buildings and equipment .....	<b>4,550,593</b>	4,470,338
Machinery and other equipment .....	<b><u>4,290,115</u></b>	<u>4,096,987</u>
	<b>9,310,530</b>	9,045,996
Less accumulated depreciation .....	<b><u>4,681,169</u></b>	<u>4,279,278</u>
	<b><u>4,629,361</u></b>	<u>4,766,718</u>
 On behalf of the Board		
 W.T. McDOUGALL, Director		
R.D. ROWAN, Director		
 <b>TOTAL ASSETS</b>	<b><u><u>\$43,168,288</u></u></b>	<u><u>\$49,429,223</u></u>



## LIABILITIES AND SHAREHOLDERS' INVESTMENT

	<u>December 31 1975</u>	<u>December 31 1974</u>
<b>CURRENT LIABILITIES</b>		
Notes payable		
Bank, secured .....	\$ —	\$ 5,580,000
Short-term promissory notes .....	1,000,000	1,200,000
Accounts payable and accrued liabilities .....	3,043,664	4,736,685
Taxes on income (including deferred of \$1,883,100 in 1975 and \$1,894,700 in 1974) .....	2,552,533	2,730,033
Due to affiliated companies .....	608,183	1,800,358
Debenture payment due within one year .....	<u>800,000</u>	<u>143,000</u>
<b>TOTAL CURRENT LIABILITIES</b> .....	<u>8,004,380</u>	<u>16,190,076</u>
<b>OTHER LIABILITIES</b>		
Deferred taxes on income .....	878,500	1,032,100
5% Note to Fruehauf Corporation .....	—	700,000
5¼% Sinking Fund Debentures .....	—	<u>800,000</u>
	<u>878,500</u>	<u>2,532,100</u>
<b>SHAREHOLDERS' INVESTMENT (Note 4)</b>		
Capital stock		
Authorized 6,000,000 shares		
Issued and outstanding 2,705,775 shares .....	5,149,063	5,149,063
Earnings retained for use in the business .....	<u>29,136,345</u>	<u>25,557,984</u>
	34,285,408	30,707,047
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b> (Notes 5 and 6)		
<b>TOTAL LIABILITIES AND     SHAREHOLDERS' INVESTMENT</b> .....	<u><u>\$43,168,288</u></u>	<u><u>\$49,429,223</u></u>



## STATEMENT OF EARNINGS RETAINED FOR USE IN THE BUSINESS

YEARS ENDED DECEMBER 31, 1975  
AND DECEMBER 31, 1974

	<u>1975</u>	<u>1974</u>
Balance at beginning of year .....	\$25,557,984	\$21,251,457
Net earnings for the year .....	<u>3,674,271</u>	<u>5,388,837</u>
	29,232,255	26,640,294
Cash dividends (note 7) .....	<u>95,910</u>	<u>1,082,310</u>
Balance at end of year .....	<u>\$29,136,345</u>	<u>\$25,557,984</u>

## STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 1975  
AND DECEMBER 31, 1974

	<u>1975</u>	<u>1974</u>
<b>SOURCE OF WORKING CAPITAL</b>		
<b>OPERATIONS</b>		
Net earnings for the year .....	\$ 3,674,271	\$ 5,388,837
Depreciation of equipment leased to customers .....	999,485	1,164,293
Depreciation of plant and equipment .....	434,194	481,757
(Decrease*) increase in deferred taxes on income .....	<u>153,600*</u>	<u>44,400</u>
<b>TOTAL FROM OPERATIONS</b> .....	4,954,350	7,079,287
<b>OTHER</b>		
Retirement of equipment leased to customers .....	405,589	516,731
Disposal of property, plant and equipment, at net book value .....	<u>13,178</u>	<u>5,566</u>
	<u>5,373,117</u>	<u>7,601,584</u>
<b>APPLICATION OF WORKING CAPITAL</b>		
Cash dividends .....	95,910	1,082,310
Additions to equipment leased to customers .....	226,910	404,096
Additions to plant and equipment .....	310,015	424,063
Decrease in long-term debt .....	<u>1,500,000</u>	<u>350,000</u>
	<u>2,132,835</u>	<u>2,260,469</u>
<b>NET INCREASE IN WORKING CAPITAL FOR YEAR</b> .....	3,240,282	5,341,115
<b>WORKING CAPITAL AT BEGINNING OF YEAR</b> .....	<u>25,054,640</u>	<u>19,713,525</u>
<b>WORKING CAPITAL AT END OF YEAR</b> .....	<u>\$28,294,922</u>	<u>\$25,054,640</u>



# NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1975

## SUMMARY OF ACCOUNTING PRINCIPLES

The significant accounting principles used by the Company are described below. These accounting principles have been applied on a basis consistent with that of the preceding year.

## INVENTORIES

Inventory amounts are based upon physical determinations during the year and have been stated at the lower of cost or market prices. Cost prices are determined by the first-in, first-out method, and market prices represent the lower of replacement cost or estimated net realizable amount.

## EQUIPMENT LEASED TO CUSTOMERS

Lease rental payments are recognized as income over the period of the lease and the equipment is depreciated on a straight-line basis to a projected lease terminal value.

## PROPERTY, PLANT and EQUIPMENT

The Company records property, plant and equipment at cost. Depreciation is provided on a straight-line basis over the life expectancy of the asset, while employing accelerated depreciation for income tax purposes. The estimated useful life of each major class of asset is as follows:

Buildings and equipment — 25-40 years

Machinery and other equipment — 5-10 years

Maintenance and repairs are charged against earnings as incurred.

## TAXES ON INCOME

The financial statements include appropriate provision for taxes on income for all taxable items included in net earnings regardless of the period when such taxes are payable. Profit from sales financed by installment contracts is recognized for financial reporting purposes in the year of sale; such profit is recognized for tax purposes as payments are received under the contracts. Since the installment contracts which give rise to the tax differences are current assets, the related deferred tax is shown as a current liability, although it may not be payable within one year. Non-current deferred income taxes result from the Company claiming a greater amount of depreciation for tax purposes than is charged to income in the financial statements.

## PENSIONS

The Company has noncontributory pension plans covering substantially all employees. Current service costs of pension benefits are accrued and funded on a current basis. Past service costs are amortized and funded over periods not exceeding fifteen years.

## EARNINGS PER SHARE

Earnings per share are calculated on the basis of the average number of shares outstanding during the year.

## NOTE 1 — INSTALLMENT CONTRACTS

Installment contracts at December 31, 1975, and December 31, 1974, are stated after deduction of deferred finance charges of \$3,546,343 and \$3,566,258 respectively, and include installments of approximately \$13,179,000 and \$13,409,000 respectively, which are due after one year.

## NOTE 2 — INVENTORIES

A summary of inventories follows:

	December 31	
	1975	1974
New trailers	\$ 3,655,452	\$ 2,223,067
Production parts, work in process and raw materials	3,693,942	8,203,833
Service parts and orders in process	2,800,905	2,703,032
Used trailers	1,140,357	1,329,431
	<u>\$11,290,656</u>	<u>\$14,459,363</u>

## NOTE 3 — EQUIPMENT LEASED TO CUSTOMERS

Equipment leased to customers at December 31, 1975, and December 31, 1974, is stated at cost less accumulated depreciation of \$2,949,789 and \$3, 221,258 respectively.

## NOTE 4 — RESTRICTIONS UNDER ANTI-INFLATION LEGISLATION

The Company is subject to the Federal Government Anti-Inflation Legislation which became effective October 14, 1975. This legislation imposes certain controls over prices, profits and compensation payments and in addition restricts dividend payments. Accordingly, the retained earnings available for dividend distribution prior to October 13, 1976 is restricted to a maximum of \$1,347,209. The restriction that may apply to dividend payments subsequent to October 13, 1976 has not yet been announced by the Government.

## NOTE 5 — LONG-TERM LEASES

The Company is lessee under long-term leases for sales and service branches. The annual rental on such properties will approximate \$170,000 in 1976, exclusive of taxes, insurance, maintenance and repairs, which are also payable by the Company. The Company has the right to purchase three of these properties and if these rights were exercised at December 31, 1975 the aggregate purchase price would amount to approximately \$560,000.

## NOTE 6 — PENSIONS

Total pension expense charged to operations was \$267,773 in 1975 and \$341,076 in 1974. Unfunded past service costs of pension plans covering certain employees amount to approximately \$614,078 at December 31, 1975 and \$664,299 at December 31, 1974. The actuarially computed value of unfunded vested benefits was \$166,000 at December 31, 1975 and \$194,000 at December 31, 1974.

## NOTE 7 — CASH DIVIDENDS

Dividends totalling \$0.40 per share were paid during the year on 239,775 shares, which excluded the 2,466,000 shares owned by Fruehauf Corporation which waived its right to the dividend otherwise payable.

## NOTE 8 — DIRECTORS and OFFICERS

Aggregate remuneration of the seven directors, as directors, amounted to \$1,200 in 1975 and 1974 and for the seven officers, amounted to \$128,000 in 1975 and \$121,000 in 1974. Five officers are also directors.



# STATISTICAL SUMMARY OF OPERATIONS

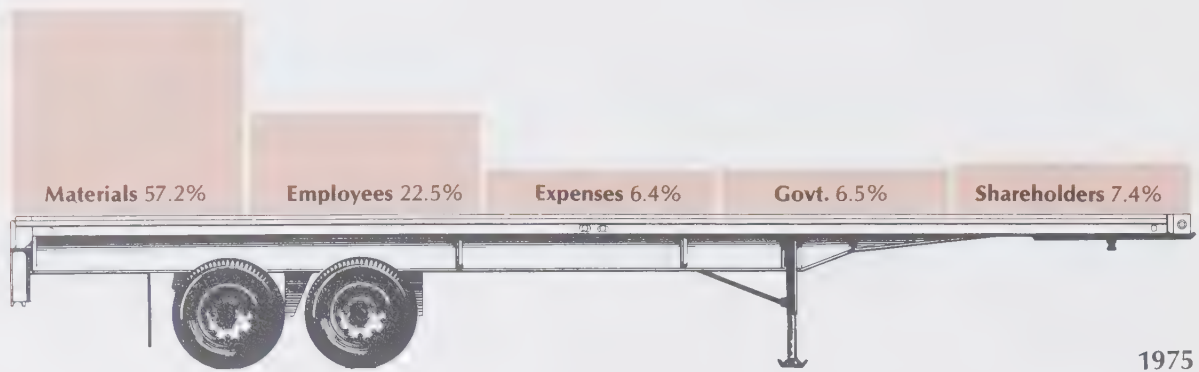
	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>
<b>INCOME DATA</b>				
Sales .....	<b>\$47,161,334</b>	60,073,980	51,031,753	40,609,738
Finance Revenue .....	<b>2,320,268</b>	2,049,814	1,464,868	1,684,879
Cost of Products and Service Sold .....	<b>36,833,238</b>	46,237,615	39,338,356	30,896,381
Per cent to Sales .....	<b>78.1</b>	76.9	77.0	76.1
Selling and Administrative Expenses .....	<b>\$ 3,186,703</b>	3,327,728	2,882,982	2,328,839
Per cent to Sales .....	<b>6.8</b>	5.5	5.6	5.7
Depreciation				
Equipment Leased to Customers .....	<b>\$ 999,485</b>	1,164,293	1,323,637	1,115,512
Plant and Equipment .....	<b>434,194</b>	481,757	382,910	346,739
Earnings before Taxes on Income .....	<b>6,866,271</b>	9,539,837	7,687,493	6,946,136
Per cent to Sales .....	<b>14.6</b>	15.9	15.1	17.1
Net Earnings .....	<b>\$ 3,674,271</b>	5,388,837	4,260,493	3,597,136
Per cent to Sales .....	<b>7.8</b>	9.0	8.3	8.9
Per Share Outstanding .....	<b>\$ 1.36</b>	1.99	1.57	1.33
<b>CAPITAL INVESTMENT IN YEAR</b>				
Equipment Leased to Customers .....	<b>\$ 226,910</b>	404,096	2,490,012	1,532,537
Property, Plant and Equipment .....	<b>310,015</b>	424,063	1,121,288	718,624
<b>FINANCIAL POSITION YEAR-END</b>				
Total Assets .....	<b>\$43,168,288</b>	49,429,223	41,022,816	35,063,723
Working Capital .....	<b>28,294,922</b>	25,054,640	19,713,525	18,625,830
Current Ratio .....	<b>4.5 to 1</b>	2.5 to 1	2.7 to 1	3.1 to 1
Installment Contracts Receivable .....	<b>\$17,656,167</b>	17,545,115	14,404,473	13,001,551
Equipment Leased to Customers — Net ..	<b>2,239,625</b>	3,417,789	4,694,717	3,696,762
Property, Plant and Equipment — Net ...		4,766,718	4,829,978	4,097,745
Shareholders' Equity .....	<b>34,285,408</b>	30,707,047	26,400,520	23,222,337
Book Value per Share .....	<b>12.67</b>	11.35	9.75	8.58
<b>EMPLOYMENT</b>				
Number of Employees at Year-end .....	<b>635</b>	966	1145	1001
<b>SHAREHOLDERS</b>				
Number of Shareholders .....	<b>406</b>	417	394	331
Dividend per Share (*Incls. .20 interim 1972) .....	<b>\$ .40</b>	.40	.40	.53*



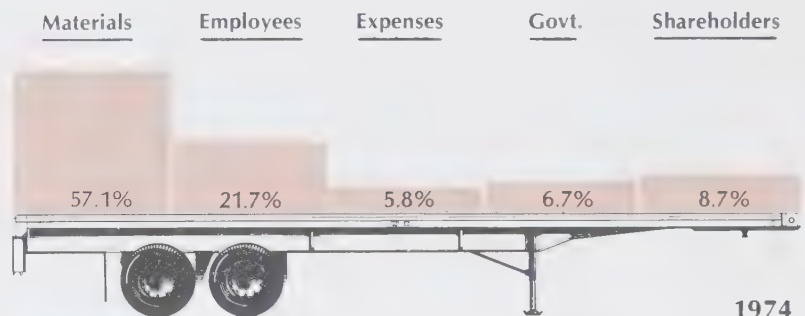
<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1966</u>
31,789,041	25,643,625	28,967,895	21,367,992	22,952,426	22,911,688
1,732,102	1,700,034	1,457,509	1,105,839	919,850	775,477
23,963,131	19,319,712	21,734,756	16,652,542	17,354,237	17,088,892
75.3	75.3	75.0	77.9	75.6	74.6
2,217,022	1,954,724	2,072,844	1,764,335	1,729,576	1,697,042
7.1	7.6	7.2	8.2	7.5	7.4
1,134,202	1,126,380	977,428	759,930	564,313	457,234
374,414	349,711	332,633	343,490	305,781	286,138
5,145,776	3,682,607	4,485,393	2,280,782	3,348,376	3,595,031
16.2	14.4	15.5	10.7	14.6	15.7
2,501,776	1,709,607	2,129,393	1,081,782	1,570,376	1,670,031
7.9	6.7	7.4	5.1	6.8	7.3
.92	.63	.79	.40	.58	.62
1,537,623	1,779,590	1,539,963	1,450,251	759,006	1,023,144
241,156	194,956	384,599	460,929	797,337	413,878
30,784,211	30,582,683	32,168,250	26,926,953	23,619,559	24,192,856
17,339,313	14,971,346	13,650,970	12,279,152	12,358,891	12,487,399
3.7 to 1	2.8 to 1	2.2 to 1	2.5 to 1	3.4 to 1	3.0 to 1
13,025,951	14,423,000	14,102,500	11,967,900	10,001,350	9,007,303
3,410,368	3,588,896	2,989,117	2,496,318	1,848,143	1,687,672
3,728,400	3,869,507	4,034,112	4,079,448	3,975,530	3,495,960
21,068,281	18,626,449	16,976,786	14,907,337	13,885,499	12,375,067
7.79	6.88	6.27	5.51	5.13	4.57
841	653	826	792	846	853
296	327	349	371	391	347
.25	.25	.25	.25	.25	.17



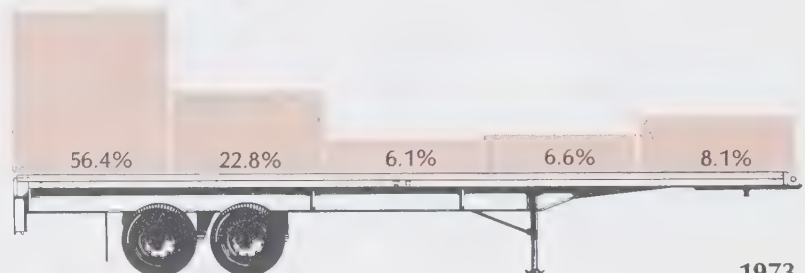
# REVENUE DISTRIBUTION\*



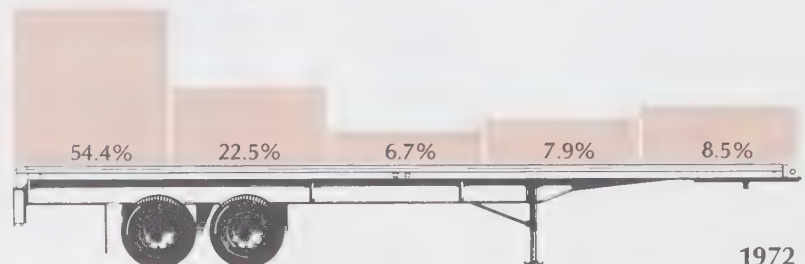
1975



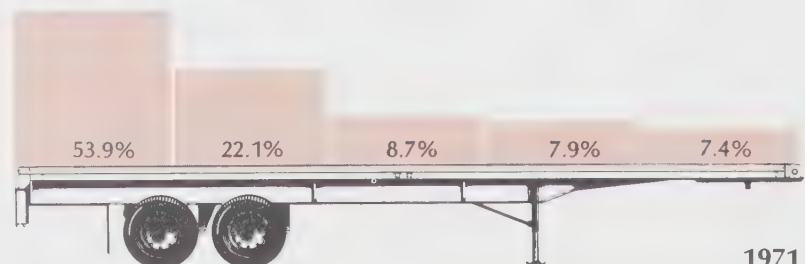
1974



1973



1972



1971

## Materials

For raw materials, component parts, accessories and trade-in units for resale

## Employees

For wages, salaries and benefits

## Expenses

For operating and general expenses including depreciation and interest expense

## Government

For federal and provincial taxes on income

## Shareholders

Net earnings after taxes available for dividends and reinvestment for future growth

\*Revenues include sales plus finance revenues earned in each of the periods.



# FRUEHAUF — COAST TO COAST



◆ **Head Office** — 2450 Stanfield Road, Mississauga, Ontario

■ **Sales and Service**

Quebec  
Montreal  
Toronto  
London  
Winnipeg  
Calgary  
Edmonton  
Vancouver  
Regina  
Kitchener

**Products Manufactured**

Vans  
Dry Freight — Smooth  
and Beaded Panels  
Insulated-Refrigerated  
City Delivery  
Furniture  
Livestock  
Grain Haul  
FRP Type  
Wedge Type  
Platforms  
Stake and Rack  
Dumps  
Container Chassis  
Dollies  
Truck Bodies

● **Distributors and Dealers**

Dartmouth, N.S.  
Fredericton, N.B.  
St. John's, Nfld.  
Saint John, N.B.  
Ottawa, Ont.  
Windsor, Ont.  
Sarnia, Ont.  
North Bay, Ont.  
Prince Albert, Sask.  
Whitehorse, Yukon

Tanks — Steel, Aluminum and  
Stainless Steel

Liquid Products:

Petroleum  
Hot Material  
Chemical

Food Products

Dry Flowable Bulk Products:

Cement  
Food Products  
Aggregates

Construction

Carryalls — 15 to 100 ton  
Oilfield Floats  
Tilt Decks



## **DIRECTORS**

W.E. Grace  
President of the Company and Chairman of the  
Board, Fruehauf Corporation, Detroit, Michigan

D.A. Grinstead  
Vice President of the Company, Toronto, Ontario

W.T. McDougall  
Vice President — Finance of the Company,  
Toronto, Ontario

T.J. Reghanti  
Vice President and General Manager, Fruehauf  
Division, Fruehauf Corporation, Detroit, Michigan

R.D. Rowan  
Vice President of the Company and President and  
Chief Executive Officer, Fruehauf Corporation,  
Detroit, Michigan

T.N. Combs  
Secretary of the Company and Vice President,  
General Counsel and Secretary, Fruehauf  
Corporation, Detroit, Michigan

R.J. Telford  
Retired: former Vice President of the Company,  
Toronto, Ontario

## **OFFICERS**

W.E. Grace, President

D.A. Grinstead, Vice President

R.D. Rowan, Vice President

W.T. McDougall, Vice President — Finance

T.N. Combs, Secretary

B.A. West, Controller

A. Purdon, Assistant Secretary

## **TRANSFER AGENT AND REGISTRAR**

National Trust Company Limited  
Toronto and Montreal

## **SOLICITORS**

Borden & Elliot  
Toronto, Ontario

## **AUDITORS**

Touche Ross & Co.  
Toronto, Ontario







